

Dear Judge Drain

I am contacting you today because as a recently retired Delphi Salaried Employee, I wanted to solicit your help in addressing an issue that not only affects me, but thousands of my fellow retirees and citizens of the State of Michigan. Based on a deteriorating business environment and the unprecedented downturn in the US Auto Industry, I was terminated effective November 1<sup>st</sup> of 2008. I did have 32 years of service (23 at GM and slightly more than 9 at Delphi) so I was technically eligible to start collecting my pension. Although the prospect of collecting on my pension occurred sooner than I had planned, I determined that my wife and I could get by on my pension and her salary. I also realized that with the state of the economy I would be hard pressed to find a job at this time.

Imagine my surprise when Delphi announced earlier this year that effective April 1<sup>st</sup> they would no longer pay for retiree health care benefits, life insurance, optical or dental insurance. These were all benefits that had been promised to retirees whether hourly or salary. These benefits were instrumental in my choosing to work for GM in 1976. My dad had no pension or health care and I saw how he struggled to make it. This as you can imagine has had a significant impact on me being able to make it on my pension and wife's salary. My wife by the way lost her job 8 weeks ago. The hourly retiree's health care is still unchanged. I realize the industry and it's workers will need to make sacrifices. So far the only sacrifice that has been put into effect is being borne by the salaried retirees.

This unfortunately is not the end of the apparent inequity we are being asked to bear. The Delphi plan to emerge from bankruptcy will involve moving the pension responsibilities of the Hourly Delphi Retirees over to GM, while the Delphi Salaried Retirees pension responsibilities will likely be turned over to the PBGC. This will have a tremendous negative impact on most of the salaried retirees. My pension will be cut almost in half. My maximum benefit will be no greater than \$1740/month for the rest of my life. A typical UAW retiree with 30 years service and is my age will receive around \$3000/month.

There is no rational person on this planet that would think this is fair. All Delphi retirees whether hourly or salary should be treated the same way. The salaried retirees have already lost their health care. Now barely two months later we are being faced with losing a substantial portion of the pension we are using to pay for our health care. Recall also that Delphi employees are all GM employees who were basically told, not asked, that they were being spun off as a separate company. All of us have at least 2/3 of our time with GM. It only makes sense that if the hourly Delphi pension goes back to GM the salaried pension plan should as well. We would represent about 3% of the total pension obligation to GM and we all worked most of our working lives for them. Many would argue that we were doomed to failure when they spun us off. That is a debate for another day. Canceling our health care was a severe blow. Defaulting on our pensions would be devastating.

Here is a summary of facts concerning the current situation:

- The Delphi Salaried Pension Plan is under funded and will likely be turned over to the PBGC
- Virtually all of the plan's participants worked over 2/3 of their career as GM salaried employees some spending as little as a few months as Delphi employees prior to retirement.
- The GM salaried pension plan is far better funded than the Delphi plan so folding the Delphi salaried pension plan into GM's plan is a reasonable move from both a financial and ethical standpoint.

**We believe that what we propose is in the best interest of all stakeholders in the GM/Delphi restructuring process for the following reasons:**

- Delphi salaried retirees have already suffered disproportionate losses with respect to their auto industry peers and should at least have their pensions preserved.
- Delphi cannot emerge from Chapter 11 without resolving the salaried pension issue therefore they must either turn pensions over to PBGC or return them to GM from where the original liability came.
- PBGC currently holds liens on many assets that Delphi needs to sell to emerge from Chapter 11. This action would clear those liens enabling Delphi to proceed with its reorganization.
- GM currently intends to purchase several of the Delphi assets with PBGC liens. This action would also allow those acquisitions to proceed unimpeded.
- PBGC will avoid the assumption of another large under funded pension plan.
- The US Treasury will collect additional taxes on the increased pension amounts paid to retirees over the lifetime of the annuities.

In closing, I ask you to use your considerable influence to achieve the transfer of the Delphi Salaried pension plan back to GM from where it originated. GM has played a significant role in Delphi's salaried retirees' current troubled situation starting with the Separation Agreement, imposing their handpicked management team, and saddling Delphi with non competitive supply contracts. I hope you will recognize that the deck was stacked against Delphi's salaried retirees at the spin-off and do what is both reasonable and right.

Sincerely,

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